

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Over-Age Dependent Notifications COBRA Notifications	REFERENCE NUMBER: 2011-035
DATE ISSUED: 9/8/2011	SUPERSEDES:

This memorandum should be forwarded to:

Personnel Officers
Personnel Transactions Supervisors
Personnel Transactions Staff

FROM: Department of Personnel Administration
Benefits Division

CONTACT: Lisa Hatten, Benefits Program Manager
(916) 445-9795
Fax: (916) 324-3213
Email: Lisa.Hatten@DPA.CA.GOV

This PML is a reminder that all personnel offices have the responsibility to:

- (1) ensure that their employees are not providing benefit coverage to ineligible dependents and to provide notice to their employees so they understand when to report COBRA qualifying events for their covered dependents;
- (2) maintain a method of tracking dependent enrollments of their employees, especially when an employee is enrolled in a dental plan but not in a health plan; and
- (3) ensure their employees maintain a current address with their employer.

DPA policy requires that dependent children, unless certified disabled or in the process of certification of disability, be deleted from the employee's dental plan upon turning age 26. Federal law and DPA policy also require all State departments notify employees in writing, through the Initial General COBRA Notice, informing them of their need to report to their human resource office when a COBRA qualifying event occurs. This includes when dependent children reach the age of 26 and are not certified disabled. Under this circumstance, the child(ren) are no longer eligible for enrollment on the employee's benefits.

Notice Requirements:

The Initial General COBRA Notice must be provided to employees within 90 days of enrollment into benefits. In addition, when a qualifying event occurs i.e., coverage is being lost for an age 26 dependent, the personnel office must provide the qualified beneficiary (the person having the COBRA qualifying event) a COBRA election notice.

COBRA Qualifying Events (CQE)

1. The death of employee;
2. Divorce, *termination of domestic partnership, or legal separation**;
3. Medicare Entitlement (under Part A, Part B, or both) ***; or
4. Child ceases to be a dependent (e.g., turns age 26).

*Eligibility is based on State of California legislation.

** For legal separation occurring in anticipation of divorce, employees are not permitted to remove their spouse until the divorce is finalized.

***The qualifying event, "Medicare Entitlement" is listed under federal COBRA law; however, retirees/annuitants do not lose their retiree vision plan coverage at age 65 or entitlement to Medicare. This qualifying event will not have any effect on retiree vision plan coverage.

Notification Responsibilities

It is the employee's responsibility to notify the human resources office in the event of a death, divorce, termination of domestic partnership, legal separation, Medicare entitlement (under Part A, Part B, or both), or a child ceases to be a dependent (e.g., turns age 26). Departments have 14 days from the notice of a CQE to send either the COBRA election materials to the COBRA beneficiary (person who has had the CQE) or if COBRA election is no longer available because of loss of COBRA eligibility, departments must send the Unavailability of COBRA Notice to the affected person(s). All actions assume the department has provided the employee with the Initial General COBRA Notice.

Failure to take the appropriate steps may increase the department's liability for COBRA penalties and expenses.

Departments are advised to review Benefit Administrative Manual (BAM) sections 400 and 500 for further information and tools.

/s/ Greg Beatty

Greg Beatty, Chief
Benefits Division